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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 3, 2013

Mr. Alexander H. Walker, III, Resident Agent
Hidden Splendor Resources, Inc.
57 West 200 South, Suite 400
Salt Lake City, Utah 84101

Dear Mr. Walker:

The Division has been notified of the recent bankruptcy filing made by Hidden Splendor Resources, Inc. While we are hopeful that Hidden Splendor will be able to recover from the financial difficulties, we are concerned that Operational and Reclamation obligations at the site may not be carried out because of this situation. We are contacting you because you are listed as the Resident Agent and also because you are listed as the owner of the collateral property that is held as reclamation surety.

We are aware that attempts to sell the Horizon Mine have been unsuccessful. It appears that reclamation may be the next logical step at this site. Due to the bankruptcy, it is apparent that the current operator may not be in a position to do the reclamation and the prospects for resumption of mining by any other party also seem unlikely at this point. This means the Division will need to make a claim on the reclamation bond and start the reclamation process.

We do want to make you aware that you have the option of completing the reclamation work yourselves if you so desire. You could contract for the work and complete it subject to notice and prior approval by the Division, however your willingness and ability to do such would need to be communicated in writing to the Division by no later than July 3, 2013. If we have not heard back from you by that date, we will commence a Board proceeding to obtain an order authorizing us to begin foreclosure on the property held as reclamation bond in order to obtain the funds needed to complete reclamation of the site.

Please understand that we do wish you the best in your recovery attempt, but we also need to ensure that the requirements of SMCRA are accomplished. If you have any questions, please contact me at (801) 538-5334, Dana Dean at (801) 538-5320 or Daron Haddock at (801) 538-5325.

Sincerely,

John Baza
Director

JRB/DRH/ss

cc: Dana Dean

Daron Haddock

Steve Alder

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